

## **CALT Meeting | July 18, 2018**

**CALT Participants:** Larry Hinzman, Molly McCammon, Mark Masteller, Denise Michels, Luke Hopkins, Linda Behnken, Lisa Busch, Meera Kohler, Mara Kimmel, Janet Reiser, Chris Rose, Mike Levine, Nils Andreassen, Fran Ulmer

**State Participants:** Denise Koch, David Rogers, Larry Hartig, Angela (Department of Commerce), Katie Conway, Alida Bus, Nikoosh Carlo,

**Public:** Elizabeth Jenkins (AK Energy Desk), Brandon Brefczynski (AK Oil and Gas Association)

Nils: Thanks for everyone who participated in last week's call. We got through the bulk of Policy Statements #1 and 2. Made some changes to #1 and #2 that you can read through at your convenience, but I suggest that we start with PS3#. Review what's in there and comment where you can. Can send changes to me through track changes afterwards. Any questions?

Luke Hopkins: Is there any track changes version for #3 that you can send out, or is that too complicated?

Nils: I don't have one. PS3# focuses on economic development. I would note that we talk about 3.1 in some other places, so if we make changes then we might have to clean that up elsewhere. Looking at how we can truly diversify our economy. Looking at reprioritizing community investments and leveraging clean energy.

Meera Kohler: I see in general that we have a sprinkling of "will"s where we should have "should"s.

Nils: You can ignore that for now. We still need to go through that and clean the will/shall, would/should. There's also a statement at the beginning saying that this is not a consensus document.

Nikoosh Carlo: Heidi Hansen from DNR mentioned that there's this idea around mariculture to uptake methane from cattle. Does anyone know more about this?

Molly McCammon: Just loosely, there's an idea of seaweed and sea kelp taking CO2 out of the ocean. It's a sequestration process. It's being experimented elsewhere.

Nils: When it comes to sequestration, we did include something related to water. Maybe we can include it there. 3.2A is about climate change adaptation services as an export opportunity.

Mara Kimmel: Where did the idea for a "model community" come from?

Chris Rose: As Alaska comes up with adaptation strategies that work, they can document them and teach others around the world.

Mara Kimmel: That's very different from what's written.

Nils: We can edit it.

Mara Kimmel: You can talk about using "new community models" instead of making a new model community. The term refugee is not appropriate, and the way it's written now is problematic.

Chris Rose: That particular paragraph is based on the idea that, for example, Metarvik is looking at what they can do when they move and what best practices they can employ.

Mara Kimmel: I think that should be in there. We need to be clear that we're not creating a refugee camp.

Luke Hopkins: It sounds like CCHRC and ACEP are going to take the lead. That sounds strong to me.

Nils: Really, it's a placeholder. We need to think through where the right lead is.

Mark Masteller: My suggestion is that all of 3.3 and maybe 3.2C be part of PS #5. PS #5 should include the workforce development section as well to make one clear policy statement on awareness, education, and workforce development. I also think that the document could have places where we identify the cross-links. In 3.3C, you might say "we think this is important, details in section 5". I personally think that a lot of this language should reside in the education and workforce development policy statement.

Lisa Busch: I agree.

Nils: It could. It depends on whether you think workforce development belongs under economic development or education.

Masteller: They're clearly linked. This is the support document to our shorter policy document.

Nils: None of that cross-linking has been done yet. I think that cross-referencing makes a lot of sense.

Masteller: One thing that members of the public have mentioned is that it would be great to acknowledge an awareness of people who could be displaced from current fossil energy jobs and specifically call out that we want to provide re-training opportunities to Alaskans as we anticipate a shift in the energy world. That's not in there now, but I think that this is a section where it could reside.

Nils: 3.4A asks the State to conduct a strategic assessment and develop a plan for Alaska's ocean economy. Includes some ideas for what could be included. I'd like to see if the Alaska Ocean Cluster has any additional language.

Linda Behnken: I can send you something to add. I think we need to think about commercial fishing as a strong part of the blue economy. I'll send you something on that.

Nils: I think you're right.

Mike Levine: We noted the same thing. In addition to development, we have to recognize how fisheries are changing geographically and temporally.

Denise Michels: I think that any policies or rules or regulations must have positive societal benefits.

Behnken: I think we have that further down.

Michels: Okay.

Nils: Do we want to say clean energy, food, and transportation sectors? Some of this is probably going to come out in Section 6, but it's good to include here.

Masteller: I'm not sure where to put this, but one thing that I'd like to acknowledge is how to encourage a petrochemical industry that doesn't exist right now. Using non-renewable resources for things other than combustibles. Hopefully we can use some of these resources for things other than burning. That would be a new or expanded industry that currently doesn't exist. We're producing plastics or other things and not producing carbon. I'll send you some language.

Nils: That'd be great. Any other questions for 3? One of the areas that saw the most editing last week and this week was PS #4, maximizing a rapid transition and carbon-neutral growth. We've been wrestling with targets. I think we've cleaned that up a little bit. Within each of the different areas, we've tried to justify where those numbers come from and how they might be achieved. A lot of what's in the O&G section came from the O&G report. I did forward that on to CALT members. It's not available to the public yet, because we wanted you to have some time to review that. From that document, we were able to take a lot of content to help inform this action plan. That's why we formed that advisory panel, similar to the Science Advisory Panel.

Mike Levine: I don't understand what the "target adjusted over time" means.

Nils: I think that what we want to have in there is a stretch goal, potentially. Maybe instead of "adjusted", it could say "increased". 30% is based on what we already know, and I think that we want some flexibility to go up or down.

Levine: Then it would make sense to me to say "potentially increase the goal over time".

Brandon: Could someone forward me the latest version of the action plan?

Nils: It will be public soon.

Masteller: It would make sense to me to say "increase" instead of "adjusted".

Nils: I'd encourage everyone to read through the oil and gas report so you can get a sense of where a lot of this came from and how it helps us move forward. Any questions on 4.1A? 4.1B may be too simple of an action statement, but talks about electrifying the North Slope. The State would have to do things to enable that.

Kohler: I'd like to see added, perhaps at the beginning of Paragraph 3, that transmitting high-efficiency electricity across the street should be systematically developed.

Rose: Would you consider that as a separate one, like 4.1C? I wouldn't want to conflate these things too much. We want to get the North Slope on a cleaner source of energy, and then we could mention transmission elsewhere.

Kohler: It seems like it ties in very effectively.

Rose: I would just suggest making this another action item. I understand the tie-in, but it's such a big project that I think it deserves its own item.

Janet Reiser: I think that this is a huge lift. I think that this is going to be an easy target for people to say "you don't know what you're talking about". I'm concerned about this being feasible.

Masteller: I'd like the action item to be more clear that this is a reimagining of how we provide electricity to the North Slope. It currently sounds like there is no electricity on the North Slope.

Nils: We can continue to work through this. Janet, your point's not unrecognized. I think we're looking at what helps us get to the goal.

Reiser: I think we should understand that this would require a large study.

Nils: I think that that's reflected for the whole report. What we've tried to build into the policy statement and in other places is that there's a huge amount of consideration that goes into this and that we have a lot of work in front of us. We'll have to evaluate what's feasible. We could use some help with 4.1C.

Katie Conway: Some comments on 4.2. We've done a little bit of an analysis to look at what is a conceptual pathway for achieving an EERS or RPS, and that suggest we should set specific emissions reductions goal by sector over a specific efficiency or renewable energy target. We have a longer analysis. We could have something to send out to this whole group by the end of the week. The emissions reductions goal could include a suite of tools like an EERS, RPS, or a building efficiency code. I apologize if this throws a wrench into things.

Nils: It sounds like this wouldn't change the analysis, but might change some of the goal statements.

Rose: Katie, what you then would be proposing is setting a carbon reduction standard. Would it be the policy statement that you want to change?

Nils: I think it would be 4.2 and 4.3 Instead of focusing on increasing energy efficiency, it would be decreasing carbon emissions in that sector.

Conway; Yes, with a nod to efficiency. If we want realistic and achievable goals, the renewable and energy efficiency targets would be hard to meet. An emissions target is more flexible.

Reiser: We also looked at the fact that our real goal is to reduce carbon.

Rose: I understand. I'm saying that 4 says to maximize carbon-neutral growth, and what you're saying is to reduce carbon emissions. Those are different. I'm wondering if we should re-word the policy statement. I'm just wondering where the concept of a carbon emissions reduction standard would go.

Masteller: On 4.2A, this may be a moot point, but I personally would take the standard out of the action statement and have that been in the supporting language.

McCammon: On 4.2A, I think that the last piece about the State updating design and engineering standards has been buried. I think that this should be highlighted as its own action item. It's a high priority of the engineering and building communities. I think that it needs to be upgraded to its own action item.

Larry Hinzman: The environmental atlas also talks about current environmental conditions and what's to be expected. That might be mentioned in here.

Kohler: I think we should point out that RPS has only been applied in interconnected states. Alaska is interconnected and it's more difficult over here.

Rose: Hawaii has 100% RPS.

Kohler: Hawaii is interconnected. Each island has its own robust grid.

Nils: 4.2C talks about net-zero construction. We can work toward what this might look like in public buildings. You could have a standard and implementation could be phased in over a number of years. Should account for geography and feasibility. 4.3 would maybe go away if you had a carbon reduction target instead of a renewable energy target. This energy can be cleaned up, but basically calls for a study.

Hopkins: Going back to 4.2C, the action item written there talks about State-financed buildings. Would this apply to AIDEA-financed structures, or are they considered private? I don't know whether you've heard anything from the Cabinet Team on this or not.

Nils: I don't know if AIDEA-financed buildings are public.

Rose: 4.3A, first paragraph, last sentence. I think that a statement like that is irrelevant to what we're trying to do. This document is about changing and making a new policy.

Reiser: We've also written an AEA position paper to help inform this section. I think that the first paragraph about public-private partnerships doesn't really belong there.

Kohler: I think that the language we have right now is a little too specific. I think that the content is good in terms of having a regional system operator, but I think that going into this much detail gets too specific.

Reiser: I agree with that. What we wrote up is less specific but hits on the same points.

Nils: As long as we have the content right, the structure and specificity is less important.

Kohler: I don't know where this came from, but the State did not electrify rural Alaska. This needs to be cleaned up.

Rose: I'd also point out that the paragraph that starts out with "additionally" is very vague and needs to be tied in more with the other financing ideas in the document.

Reiser: We'll take a first stab at clarifying that paragraph and see what people think.

Kimmel: Under 4.4A, can we take out "consider programs" and just say "the State should consider"?

Rose: The other thing that I think is missing is something about marine transportation vis-à-vis the ferry system.

Nils: It might be buried elsewhere. Under 4.4A we do talk about future fishing fleets.

Rose: I'm talking about the marine highway specifically.

Conway: I sent some additional language to clarify that the part of the Alaska Affordable Energy Strategy is the data analysis and modeling. It would be a really useful tool for future efforts. Some of the work that we've done internally would be a lot easier if we have a comprehensive data set that would be expanded by the scope of that modeling.

Nils: Any other comments about 4.5?

Levine: Regarding 4.5B, I'll note that I don't think we'll take out anything related to natural gas, but this is very explicit and directive. Given all of the things that we've heard, I'd encourage us to make this more consistent with other language.

Behnken: We had a lot of pushback on this from people saying that renewable energy is coming along more quickly than anyone thought and that any consideration of natural gas should be evaluated against those renewables. I think that we should evaluate natural gas as a bridge and whether it has the capacity to move us towards a carbon-neutral future.

Hopkins: The public comment that I was aware of is passionate discussions about limiting development in ANWR. Do you have anything to comment about that? I should add that it's not part of the Governor's development plan.

Nils: I should add that other members of the public have said that natural gas development is important. I think that the Governor's earlier comments about needing to do both are one way to evaluate what's in here.

Levine: I would suggest that the statement say "evaluate options".

Masteller: I want to echo what Mike is talking about as far as the tone of the language. I would like to see other areas that emphasize energy efficiency and renewable energy just as strong as this section.

Nils: 4.5D is really just asking that DEC continue its emissions inventory. Policy Statement 5 is focused on education. We've been sensitive to how we approach K-12 education. My understanding is that the State has approached K-12 education in a way that it's up to local teachers to deliver content for classrooms. I think there's a lot of hesitation around saying "include climate change education in K-12". I think that these current revisions still get us up to that goal.

Busch: For 5.1, I think that there are a lot of natural resource curricula out there. I think that we should say "environmental science and climate change".

Masteller: I would totally agree. It's the general charge of the school system to talk about natural resources and environmental science. It's our charge to be clear on climate change.

Rose: I agree with that. I think that we could get around the fear that you have by saying "encourage", without forcing them to do anything.

Hopkins: Could we say "natural resource and environmental science to include related climate impacts"?

Busch: I think it's more straightforward to say "climate change curricula".

Hinzman: I'll reiterate the discussion that we have previously. There might be a lot of opposition to this whole policy, and this could be a lightning rod if people think we're trying to indoctrinate their children. We're trying to tread lightly and get our victories where we can get them.

Masteller: We talk about climate change in the rest of the document. I don't think that we need to say how K-12 should do this, but I think we need to say that they should "encourage" climate education.

Levine: I agree. I don't think that this is particularly bold. I think we should just say what we mean.

Hopkins: So changing the action item so that rather than "adopt", it says "encourage". Did the Advisory Panel reference this?

Nils: They referenced the Alaska education resource.

Hinzman: It's a question of perception. The Lt. Governor did give us a charge to be bold. We are talking a step back from that boldness to call it environmental science rather than climate change literacy.

Kimmel: I want to echo that option to take a strong stance. I think we should keep in mind Larry's points. There's been recent polling that's been done that suggest that climate change is not scary to most of that Alaska population. I forget who did it, but I'll look into it to assuage some of the political concern.

Hinzman: I wanted to point out where this piece came from, but I would also agree to change it to "climate science and energy literacy".

Nils: How do people feel about saying "natural resource, climate and environmental science education"?

Masteller: What I prefer is some version of “expand education, awareness, and workforce development opportunities related to...” It’s basically what’s in version 2 with the words “workforce development” added.

I don’t want to focus on K-12, but to look at education across the board. For me, it’s awareness and education for anybody at all levels.

Nils: It mentions public awareness already. That’s your all levels.

Fran Ulmer: This discussion brings up a general point that I’d like to make. Throughout this document, there are points of explanation and general background and clarifying what things mean. I just wonder if, for purposes of simplifying the document, if there wouldn’t be a way of having the policy statements followed by a paragraph explaining why the recommendations are being recommended. In some areas, we go into a lot of detail about “why”, and in other areas we don’t have much detail. Maybe there’s a way to have each of these action items packaged so that the explanation is separate. Just a suggestion.

Masteller: The UA Board of Regents has yet to acknowledge that climate change is a big deal and that they should take a leading role. Also, there’s kind of a straggler sentence in PS#5 about working with APU. Before we move to #6, I’d like to recommend that if this policy statement is edited to include workforce development, we should add the stuff from earlier in the document.

Nils: Moving on to policy statement #6. Includes financing and establishing a Green Bank.

Kohler: I think that this is something that Chris had worked quite a bit on. There’s a lot of detail here, but it’s relevant.

Nils: 6.1B talks about leveraging venture capital funds, creating opportunities on the private side and looking at ways for AIDEA to expand their investments. 6.1C talks about applying funding from state-owned energy efficiency improvements to clean energy investments.

Hinzman: I wonder if this is an appropriate place to mention encouraging federal investments in clean energy in Alaska.

Masteller: I think that’s a great point, and it could be its own action item.

Nils: We were going to pull out the federal action items separately, but we haven’t done that yet. The State can consider that for all of these potential funding options, it will need to go through a process to determine what’s most effective and efficient for meeting these goals. 6.2 discusses carbon pricing.

Behnken: Jumping ahead a little bit, there seems to be some contradiction in talking about a revenue-positive carbon tax. I’m wondering how we arrived at that decision and whether it’s appropriate to have that decision in this document. Is that something we’ll talk more about in person?

Nils: This is just the language that came in from members. I think that ultimately that this is saying that for all of these things, we need a revenue stream.



Behnken: Okay, so this is something that we'll talk about more in the future.

Hopkins: The issue of the University might get funding would be through that revenue-positive stream.

Nils: The issue is between a revenue-positive fee or a revenue-neutral fee.

Behnken: We say that we want to evaluate the impact of a fee program, but we also say that this is what we recommend. I need a little more input on it.

Nils: I see. I think that throughout this document, there are multiple "should"s that will need to be chosen between. We'll have to sort through that.

Levine: I wonder about the first paragraph that says that this isn't a consensus document. We are going through a lot of work to make sure that we have consensus on a lot of different things.

Nils: There probably is another way to word that. Let me think through a different process for recognizing consensus items.

Hopkins: On that statement, I think that it is a consensus document. We aren't taking votes on this, and we have many voices weighing in that have an effect on what's written.

Nils: I'll send out an e-mail asking for edits. If you have content, send me that as well.